

September 15, 2010

ITEM NO. B10

**AUTHORIZATION TO EXECUTE AGREEMENT TO ENTER INTO A HOUSING
ASSISTANCE PAYMENT (AHAP) CONTRACT FOR INDEPENDENCE APARTMENTS**

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners approve the attached Resolution authorizing the Chief Executive Officer or his designee to execute an Agreement to enter into a Housing Assistance Payment (“AHAP”) Contract with the Shaw Company or its nominee to provide Property Rental Assistance (Project-Based Voucher) for nine (9) units at Independence Apartments, for the maximum allowable term, subject to any required HUD approvals. It is further recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to take all action and execute all documents necessary or appropriate to implement the foregoing.

FUNDING SOURCE

Housing Choice Voucher Program (Property Rental Assistance)

EXPLANATION

Independence Apartments is a 42 unit affordable family housing development to be located on the 900 block of south Independence Blvd. in the North Lawndale community on the city’s west side in the 24th Ward. The development will be new construction consisting of seven three-story 6-flats containing 21 one-bedroom, 15 two-bedroom and 6 three-bedroom apartments. There will be nine (9) market rate units and nine of the units will receive Property Rental Assistance (formerly known as Project Based Vouchers) with priority given to families on CHA’s waiting lists. Each unit will contain a washer/dryer and dishwasher. There will also be an outdoor tot-lot and 42 on-site parking spaces.

The project is part of the Homan Square Development and will enjoy many of the amenities available to the residents there. Homan Square is the redevelopment of the old Sears and Roebuck’s headquarters site. Over the years, both rental and for-sale housing have been built in the area. Power House Charter High School is near the site located in the newly renovated Charles H. Shaw Technology and Learning Center and has a capacity for 450 students. The nearest elementary school is Gregory School, one block immediately north of the site. Manley High School is approximately one mile to the east at Sacramento and Polk. Other schools available within the community are Penn Elementary School located directly south of the site and Dvorak Elementary School is four (4) blocks east at 16th and Central Park.

The project is in the Midwest TIF district, just minutes from downtown Chicago. Retail and grocery shopping is available a half mile south from the site in the Lawndale Plaza at Roosevelt and Homan. Retailers include a Dominicks Food Store, Starbucks, Walgreens, Foot Action, Hollywood Video, National City and Chase Banks. The new Homan Square Community Center contains the Health and Family Pavilion, which provides comprehensive medical services to area residents. Mt. Sinai Hospital is less than 1 ½ miles away.

The developer, the Shaw Company, is responsible for the vision of Homan Square dating back to the 1980s as well as the development of many of its buildings. The Shaw Company has developed approximately 1,100 units throughout Chicagoland, of which 160 are affordable.

The total development cost for this project will be approximately \$8,768,464 and will be funded by a mix of public and private sources. The only cost to CHA toward this development will be the Property Rental Assistance (Project Based Vouchers). The Project-based Voucher statutes and regulations will be followed in leasing the 9 Property Rental assisted units.

Based on the foregoing, it is recommended that the Board of Commissioners approve the attached Resolution authorizing the Chief Executive Officer or his designee to enter into an AHAP Contract with the Shaw Company or its nominee to provide Property Rental Assistance (Project Based Vouchers) for nine (9) units at Independence Apartments, an affordable family housing development for the maximum allowable term, subject to any required HUD approvals. The Chief Executive Officer or his designee is further authorized to take all action and execute all documents necessary or appropriate to implement the foregoing.

RESOLUTION NO. 2010-CHA-114

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated September 15, 2009 entitled “AUTHORIZATION TO EXECUTE AGREEMENT TO ENTER INTO A HOUSING ASSISTANCE PAYMENT (“AHAP”) CONTRACT FOR INDEPENDENCE APARTMENTS”

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute an Agreement to enter into a Housing Assistance Payment (“AHAP”) Contract with the Shaw Company or its nominee to provide Property Rental Assistance (Project Based Vouchers) for nine (9) units at Independence Apartments, an affordable family housing development for the maximum allowable term, subject to any required HUD approvals. The Chief Executive Officer or his designee is further authorized to take all action and execute all documents necessary or appropriate to implement the foregoing.

